

## **Work West Enterprise Agency**

### **Response to the DETI Consultation on the Social Enterprise Strategy 2009-2011**

**9 October 2009**

#### **Overall views**

The strategy, with its primary focus on supporting existing SEEs who have growth potential, does not seem appropriate in the current economic climate. There is some mention of other initiatives which support SEEs at the pre-start and start up stages, but this is not comprehensive and excludes setting out what role local authorities have now and in the future to support social enterprises at all stages of development.

Some particular points on the general content of the strategy are detailed below:

Page 15 – reference is made to the new NI Sustainable Competitiveness Programme and the fact that local government can submit proposals concentrating on entrepreneurship. We would like to state that there is no measure specifically for social entrepreneurship, and that this type of enterprise support is not a priority for many local authorities.

Details of the volume of procurement contracts awarded to SEE's would be a useful indicator of government buy in and also SEE's competitiveness. This information would also provide an indication of CPD's success in breaking down the barriers for SEE's in this area.

Section 3, Achievements, pages 17-19

There is no mention of the achievements of the delivery partners from Enterprise NI who delivered the Social Entrepreneurship Programme from 2006-09. The ENI network were critical partners ensuring that the sector developed and that business strength improved over this period, and have recently won the tender to deliver the new programme, building on the success of SEP1.

There is no mention of the innovative Social Economy Village business space which Work West developed with assistance from DETI's European Programmes team, using funding from the Peace II Extension programme, matched with IFI support. This £1.3m investment has created dedicated workspace for social enterprises to set up and grow their businesses, and meets a specific business need for premises, alongside creating a supportive and enabling environment.

## **Strategic Objectives**

**Do you consider that the three key strategic objectives are appropriate?**

**If not, what changes would you suggest and why?**

We feel that the strategic priorities are still appropriate, but feel that the focus on existing SEEs is to the detriment of the sector as a whole. For instance a supportive and enabling environment and better knowledge of the sector and its value to the local economy are also important factors to groups in the pre-enterprise and start up stage. In preparation for Councils taking over responsibility for the strategy, we need a strategy which is relevant to groups at the grassroots stage who aspire to grow and develop. Many of the initiatives discussed later in the strategy document are only available for groups who are small – for instance the new RDP funding (for micro enterprises of less than 10 employees). The document would benefit from including case study examples to show how diverse the sector is – the Department could use the strategy (and the consultation process) itself as an opportunity to raise awareness, increase knowledge and understanding – and bring the strategy to life.

## **Areas for future action**

**Have we identified the right associated actions to meet these objectives?**

**Are there other actions you would wish to see included and why?**

Areas for future action, page 22

Generally we feel this section is too heavily focussed on what selected Government Departments offer and shows little recognition of initiatives which the sector is undertaking themselves.

There is no recognition of the new turnover and growth criteria in the SEP which means it is now not “available to all”, rather only to those who can demonstrate they will turnover £50,000 annually within 2 years of starting up, and those outside of Invest NI core criteria are being discouraged from applying (such as retail businesses). Even for existing SEEs, to apply groups must demonstrate they can achieve £100,000 turnover annually, with 25% from sales outside Northern Ireland within 3 years for existing businesses. This is why we feel it is vital to bring in support offered by local authorities, as in some cases they are trying to plug the gap between the new SEP criteria and other support out there. There is no mention of the SEP delivery team from Enterprise NI, who are charged with making the SEP happen.

The pilot Social Economy Fund, which Work West deliver on a sub-contract basis from the Employment Services Board, is a one off initiative, funded as part of the Task Force responses for West Belfast and Greater Shankill. While an external evaluation is currently underway, it will not be reporting

finally until 2011. Invest NI have indicated strongly that they will not resource a further programme.

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There is no mention of Neighbourhood Renewal or the Belfast Regeneration Office who are critical teams within DSD, providing support and assistance to social enterprises at the pre-start and start up stage.

DARD's Rural Development Programme can only provide support for micro enterprises (less than 10 employees), and is weighted to new initiatives rather than developing existing enterprises – it will be hard for the kind of SEEs the strategy is focussed on (with scale and capacity) to avail of this support, and obviously this support is not available to all communities given its rural focus.

We are disappointed that key Departments such as DCAL and OFMDFM are not mentioned, as their initiatives to promote the creative industries sector and the anti-poverty strategy impact heavily on SEEs.

We are disappointed that in light of the RPA, that no initiatives from local authorities have been included in the future actions section, such as Belfast City Council's Pre-enterprise Social Economy Development Programme, which will support new and emerging SEEs (who fall into the gap between SEP support) during the period of this strategy.

Outside of the SEP Enterprise NI members provide a range of support which SEEs can tap into, including programmes such as Tradelinks, which encourages them to make contact and explore sales within ROI.

Other finance providers to the sector, such as Charity Bank, should be mentioned alongside UCIT.

#### Action 1.1

There do not seem to be many actions attributed to SEN as the representative body for the sector. We would like to see additional actions relating to lobbying activities, working in partnership with government and other sector partners to increase knowledge and understanding of the sector, producing an action plan of their own events and opportunities to promote social enterprise to other sectors, an explanation of how SEN will assist DETI's Social Economy Branch to ensure all Government Departments and their staff are familiar with social enterprise (not just those who are in the IDSG and SEF etc). As the strategy does not come with a budget for these actions, and DETI has instead invested in SEN to take actions forward, it would be good to have more about the work of SEN reflected throughout, to ensure SEN is representative of all social enterprises (and not just its members) in taking actions forward.

#### Objective 2, Page 26

A key part of building business growth is through the investment in business leaders. As the focus of the strategy is on existing SEEs, we feel that the

actions will not support the development of existing (and new) social entrepreneurs and business leaders not aligned to an existing SEE. As you will be aware the mainstream SEP programme which supports social enterprises does not allow applications from individual social entrepreneurs – rather only from constituted groups. The strategy aims to achieve a vision of “an enterprise movement which encourages greater social entrepreneurial activity and is supportive of SEEs that want to grow”. However we feel that the social entrepreneurs themselves are being left out from actions in the strategy, unless they are aligned to an existing SEE. Organisations such as CO3 should be acknowledged in terms of their unique style of leadership programmes targeting the third sector.

Action 3.2, Fostering a SEE culture, Page 30

DFP should also be involved in ensuring that those social enterprises who have already successfully tendered from Government Departments are getting paid promptly in line with UK policy. We are still hearing of occasions when Departments are taking up to 120 days to pay social enterprise suppliers.

### **Monitoring and Evaluation**

**Are the proposed monitoring and evaluation mechanisms appropriate to ensure that progress is made and reported?**

**Are there others you would wish to see and how do you consider they would assist the process?**

We would ask that monitoring and evaluation takes place in a timely manner, recognising the timetable for the handover to local Councils. We have waited 2 years since the last strategy ended, and feel it is imperative to “hit the ground” running in 2011 when the new structures come into being. To this end, we would like to see SMARTer objectives set out, particularly relating to the timing of the production of evaluation reports.

We feel it is vital that DETI and/or the SEN re-run the 2007 survey of social enterprises. The investment made in the survey that last time round can only be fully realised by keeping the data current, and building on the baseline of information collected by the Department 2 years ago. It would be fitting to end the period of this strategy and the handover to the Council with the production of the next set of data for the sector.

### **Equality Impact**

**Are there any other issues that you feel should be included in the equality considerations at this stage?**

**Can you identify any further sources of relevant information.**

A new survey of social enterprises would assist the Department to gather more robust data on the impact of social enterprises on promoting equality of

opportunity, as we feel that individual departments and agencies may not record activity taking place alongside an organisations social enterprise activities (for instance groups who run social enterprises such as The NOW Project as an organisation have a large impact on the disability agenda – but we need to be clear about how much of this impact relates to their social enterprise activities, rather than the organisation as a whole).